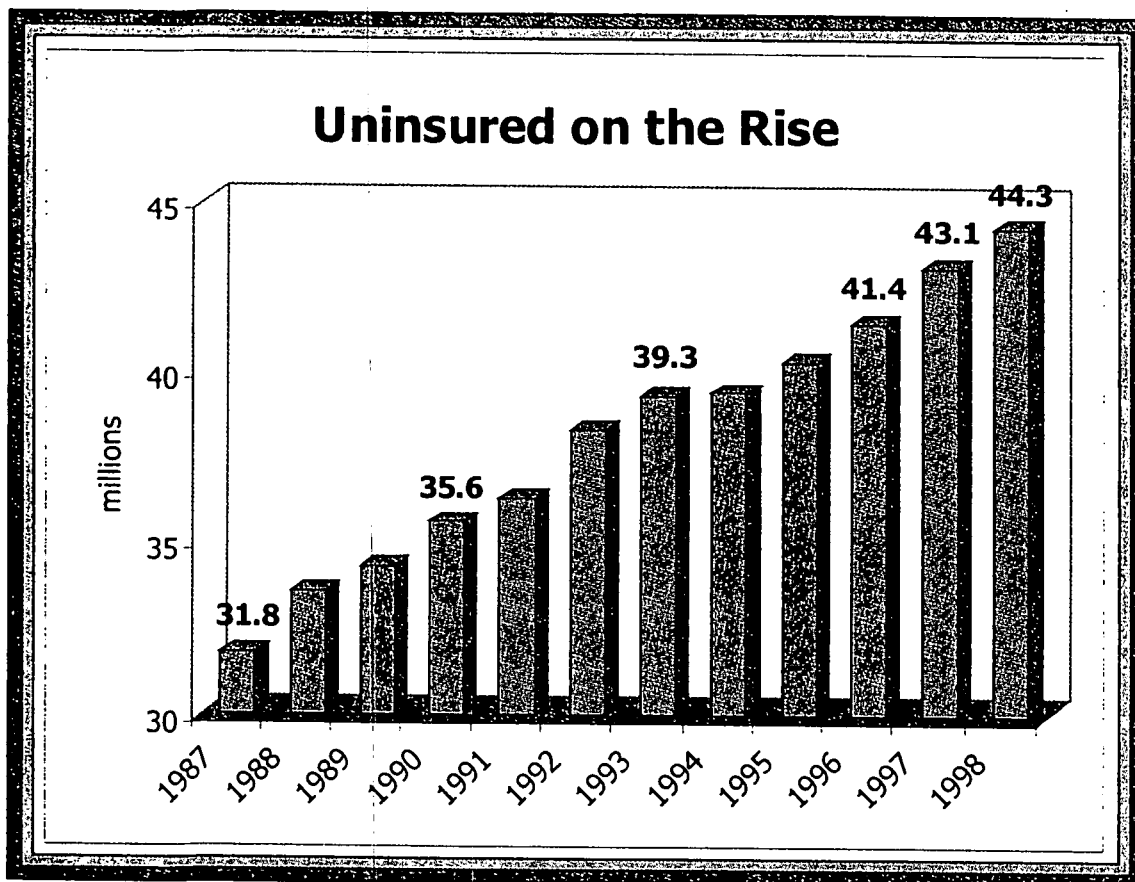


October 5, 1999

Uninsured Now Number 44.3 Million

Will the House Expand or Further Restrict Health Coverage?

According to the Census Bureau, the number of Americans without health coverage increased by over 1 million in 1998, reaching a modern peak of 44.3 million. The news confirms the Senate's decision to expand access to health coverage and should stand as a warning to the House as it struggles to pass its own version of patients' rights legislation.



Source: Census Bureau

One of the principal causes of the growth in America's uninsured population is the heavy hand of government regulation. In seeking to protect patients, Congressional Democrats proposed heavy-handed legislation (S. 6) that would have made health insurance even more expensive and would have caused another 1.8 million Americans to lose coverage.

In contrast to the Democrats' approach, Republicans committed to guarantee patient protections without significantly increasing the cost of coverage or the number of uninsured Americans. The Republican "Patients' Bill of Rights Plus Act" (S. 1344) struck that balance first by imposing federal regulation only where states are forbidden to do so by federal law. Second, as the Census Bureau notes, "workers employed by firms with fewer than 25 employees [are] least likely to be covered." Therefore, S. 1344 expands medical savings accounts (MSAs) and accelerates full deductibility of health insurance for the self-employed, both of which make health coverage more affordable to small businesses and their workers.

The House is poised to vote this week on measures similar to S. 6, including a bill co-sponsored by Rep. John Dingell and Rep. Charles Norwood (H.R. 2732). While Rep. Dingell introduced the House version of S. 6 in this Congress, Rep. Norwood introduced similar legislation last Congress. Private estimates indicated the Dingell-Norwood bill would drive up the cost of health coverage an average of 23 percent nationwide.

Like S. 6, the Dingell-Norwood bill would expose employers to expensive lawsuits. Today, a *Washington Post* editorial took Dingell-Norwood supporters to task for inviting trial lawyers to make medical decisions:

They are too blithe about the likely consequences of allowing even more health care decisions to be made in the courts.

The new Census Bureau report on the uninsured suggests what is at stake. In a strong economy, the number of uninsured increased by about another million people last year; it stands at one American in six. The cost of care is the main reason, and for better or worse, managed care is the main instrument in the society for containing costs.

Those who favor regulating the industry do so in the name of preserving access to care for those it insures. But to regulate in such a way as to weaken cost containment and price more people out of the market would likewise have the effect of reducing access, just for different folks.

Such will be the price Americans pay if Congress approves legislation that makes health insurance more expensive. Some may enjoy better coverage, but others will find themselves unprotected. If it is wise, the House will approve legislation to make health insurance more affordable. Such a package should make health insurance costs fully deductible for the self-employed and remove the restrictions that have kept most Americans from purchasing an MSA.

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